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THE QUESTION OF WESTERN EUROPEAN

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UNITY & ITS IMPLICATIONS FOR THE US

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THE QUESTION OF WESTERN EUROPEAN UNITY
AND ITS IMPLICATIONS FOR THE US

July 1975

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NOTE

There are various ways of perceiving the movement toward western European unity and of assessing the progress it has made and its prospects for the future. We are aware of the argument that de facto unity has already come a long way -- further than what appears in solemn treaties, formal documents, and the elaborate institutional constructs associated with the European Community. There is, indeed, a good deal of day-to-day political consultation among western European officials. No major issue is dealt with without some awareness of the pan-European dimension. But unless one believes that the momentum toward western European unity is so strong as to be irreversible, the final outcome remains uncertain.

The central focus of this paper is to sort out and analyze the implications of various possible outcomes to the movement toward western European unity. The introductory section places the goal of unity in the context of the Atlantic alliance. The second section performs several hypothetical tests of the assumption that unity is good for the US -- by spelling out the implications of several possible "Europes." The third section attempts to put the judgments of the second section in the context of the real world. The final section suggests that the new situation in southern Europe may provide greater impetus for political coordination than has been evident until now.

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I. WESTERN EUROPEAN UNITY AND THE ATLANTIC ALLIANCE

European unity, in our view, is not contradictory to Atlantic unity.

Henry A. Kissinger

The idea that European unity would be "a good thing" began to take shape as an underlying premise of US foreign policy during the latter stages of World War II. At that time, it represented mainly a reaction against the divisive forces of nationalism which had brought Europe to the brink of destruction. The principal impetus stemmed from fear that someday, somehow Germany might become an aggressive nation once again, and hope that that could be avoided if the Germans were integrated into a larger European community.

A commitment to European unity did not crystallize as a US foreign policy objective until the early years of the Cold War. The scope of the US objective was limited to western Europe as it had become apparent that both Germany and Europe generally were likely to remain divided indefinitely. From the Marshall Plan and the European Coal and Steel Community to the Common Market and European Community (EC), the US has played a key role in encouraging the formation of a united, anti-communist western Europe.

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From the time of the Marshall Plan if not earlier, however, the main thrust of US policy has been toward the creation of an Atlantic-oriented western Europe. While the US has continued to support the goal of western European unity, the Atlantic connection has almost always taken precedence. On both sides of the Atlantic, the commitment to the alliance has tended to limit and often to clash with the commitment to a united western Europe.

There is a perhaps unavoidable conflict between the goals of maintaining a strong Atlantic alliance and of building a united western Europe. This is most evident in the area of defense, though it carries over to political and even to some economic matters as well. As long as the western Europeans have been able to rely on the US for their defense, they have had little incentive to work seriously for a separate western European defense community. And in the absence of any compelling need for military unity, they have seen little reason to unite politically. Except for certain economic matters, the western European states (excluding France) have tended to calculate that they have more to gain from cooperation with the US (either bilaterally or in such bodies as NATO and the International Energy Agency) than from combination with their neighbors. The Atlantic connection, therefore, has provided an alternative which has enabled the western Europeans to postpone or evade having to reconcile their diverse national interests.

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II. IDEAL "EUROPES" AND THEIR IMPLICATIONS FOR THE US

...there is a danger that in the next few years Europe might drop behind, so to speak, while at the same time other countries will move up. In a way this is a revenge on Europe for the 19th century. And it is this that prompts us to pursue with patience -- and patience is needed -- the organization of European union, for perhaps one day we will have to organize together a Europe in need...

Valéry Giscard d'Estaing

A United Western Europe

Let us stretch the imagination to consider what a truly united western Europe might be like. It is not necessary for this purpose to make any assumptions about how this imaginary "Europe" would be internally organized. It is simply enough to assume that it would have enough internal unity to act with authority on vital matters as a single entity.

Such a "Europe" would have the economic sinews on which a powerful political and military entity could be based; the nine members of the EC already have:

- upwards of 260 million people,
- a gross annual economic product of more than \$1 trillion, and
- foreign exchange reserves of roughly \$70 billion.

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In almost every respect, such a "Europe" would pose a potential threat of competition and rivalry with the US considerably greater than would a less unified Europe with its diverse, often mutually-conflicting national interests intact. This would tend to be true no matter what form the European union took (supranational, federal, or confederal) or which political forces were dominant (left, right, or center), though obviously some combinations would be harder to live with than others.

A truly united western Europe would almost inevitably have basic interests different from and independent of those of the US. There have long been differences between the western Europeans and the US over their respective interests and obligations outside of Europe, most notably in Southeast Asia and the Middle East. Even with regard to Europe itself, disputes over strategic doctrine and tactics have revealed basic differences in perspectives and interests -- particularly, though by no means exclusively, in the era of de Gaulle. And as the atmosphere of detente has removed some of the harsher aspects of the Cold War, European apprehensions have grown over the possibility of Soviet-US deals at their expense. The western Europeans have also become less inclined to accept US leadership in international trade and monetary councils: they tend to blame the US -- and particularly the large balance-of-payments deficits which the US ran for years in connection with the war in Indochina -- for allowing the international economic system to get out of whack.

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It has been widely assumed that only a united western Europe could carry enough clout to overcome the problems of inequality inherent in the dominant US role in the Atlantic alliance. This is the underlying premise of the "dumbbell" or "two pillar" theory of the alliance -- the notion of two partners of equal weight, bound together by certain fundamental common interests. But even if one assumes a convergence of western European and US interests on the fundamental purposes of the alliance, e.g., on the need to maintain a credible deterrent to Soviet power, there would almost certainly be differences over the means to accomplish these objectives. It is arguable that such differences would be minor, tactical ones and that a relationship between equals would produce extra synergistic effects. Nonetheless, once the US became an equal rather than the dominant partner in the alliance, it would have to be accepted that US influence over European actions would be considerably more restricted than it already is.

Contrary to the conventional wisdom, a vital Atlantic alliance would probably be incompatible with a truly united western Europe. It is possible, of course, that such a "Europe" could be an independent power economically and politically but remain dependent on the US security guarantee. But, in practice, such a "Europe" would likely be considerably less pliant than the NATO allies are now. At best it would be a restless ally and, more likely, it would seek to be a very independent entity -- which would mean becoming militarily

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independent as well. If it developed a nuclear capability commensurate with its economic and political power, it would have little or no need for the US security connection.

A truly united western Europe would also tend to de-stabilize the postwar European balance of power which the US has done so much to nurture. For years, the Soviets have viewed the movement toward western European unity as an instrument of American capitalism and as a western ploy in the Cold War. Though there are indications that Soviet views about the EC in its present limited form have begun to mellow, Moscow remains extremely sensitive to the possibility that western European defense cooperation might serve as a screen for a growth of German political and military power. From the Soviet perspective, Washington and Moscow have a common interest in preserving the European status quo, at least for now. In their view, the present division of Europe preserves a relatively stable sphere of influence for each superpower. While a united western Europe might in one sense simply consolidate the existing division of Europe, it could also be deeply unsettling to the status quo.

Thus, on the one hand, one might conclude that it is a good thing that western Europe is still so far from united. The existing situation, after all, allows the US a certain leverage. It is already hard enough, at times, to persuade the western European allies to go along with US desires. They feel a certain freedom to promote or impede things which the US does not like because they assume that the US is

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in Europe basically to serve its own interests. Consider how difficult alliance relations could become if the western Europeans were united in a single, powerful entity.

On the other hand, one must assume that the alliance in its present form cannot last indefinitely and that the US military presence in Europe eventually is bound to end. Given this assumption, US interests would seem to be better served by a united western Europe with the collective confidence and will to resist real or imagined Soviet pressures. Early movement toward a united and militarily powerful western Europe might forestall any tendency on the part of the western European states to seek to reach various forms of political accommodation with the Soviet Union as a result of US military withdrawal. In recent years, China has taken a similar view -- although the Chinese have their own political purposes in doing so. In circumstances of economic health and international political stability, a united western Europe should have the confidence to go it alone.

Finally, the continuing divisions of Germany and of Europe can be considered unnatural aberrations in the long term historical process which eventually will also break down. If this is seen ahead, US interests might be served by an early strengthening of a united and democratic western Europe which could conceivably serve as a strong

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base for a later larger Europe. This could put western Europe in a position to profit from any break-up or erosion of the USSR's eastern European empire. The price, of course, would be a willingness on the part of the US to loosen its influence over our European allies and to accept the risks of a more free-wheeling and less manageable partner there.

Other "Europes": Some Progress, Stasis, or Retrogression

The above discussion is relevant only to the very unlikely prospect of a truly united western Europe (or, in the preceding paragraph, to the even more remote prospect of a wholly united Europe). It is necessary to consider the more likely prospect of lesser combinations or degrees of economic, political, and military integration. While in theory there are many possibilities, for purposes of analysis these can be reduced to essentially three alternatives: some progress beyond the present mix of limited economic integration and a modicum of political coordination; stasis, i.e., no significant change; and retrogression, which could range anywhere from slight setbacks to complete disintegration of the EC.

If we posit some progress toward greater unity, the EC could become a considerably more powerful economic rival of the US than it is now. At first, western European strength might be confined to the specific areas of economic policy on which integrated or unified approaches have been forged, but eventually western Europe's greater potential economic clout could have an impact in other areas as well.

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It could do more to extend its existing trading links in both the Third World and in advanced industrialized markets, sometimes developing exclusive preferential arrangements. It could consolidate and develop the western European arms industry so that it could demand a larger share of military procurement within NATO and compete even more effectively with the US in foreign arms markets. It would also be in a better position to challenge US dominance in international trade and monetary councils. Selective restrictions on US access to the western European market would also be possible, though any such challenges would be tempered by the mutual gains both areas derive from relatively unrestricted trade. In the final analysis, there would be a political/military constraint as well: the EC states, except possibly France and Ireland, would want to stop short of any economic challenge to the US that would risk disruption of the Atlantic alliance in any fundamental way.

If there is stasis, i.e., no further progress but no retrogression either, the implications for US policy would be less weighty. Occasionally, the EC would speak with one voice on political questions, as it has done with some success at the Conference on Security and Cooperation in Europe. On some questions, the "lowest common denominator" problem would apply: the US's closest friend in NATO (the West Germans, the British, and possibly still the Dutch) might be inhibited from supporting a US position in order to preserve at least the appearance of unity within the EC. Generally, however, the US would seem to have sufficient leverage over one or more of its

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western European allies to prevent the EC from acting against important US national interests -- if not to persuade it to cooperate. On economic matters, the EC would remain an economic force to reckon with, and would on occasion conduct policies harmful to private US economic interests. Nonetheless, it is doubtful that the EC under present limits would have either the clout, the inclination, or the will to challenge vital US national interests.

If the EC falters and retrogresses, the implications for the US would be mixed. The direct consequences would be helpful to some, harmful to other private US economic interests. If the common agricultural policy were weakened or eliminated, US farmers would probably face less restricted access to at least some western European markets and less formidable competition from western European agricultural exports both in the US and around the world. On the other hand, multinational corporations representing substantial US interests might find that a weakening of the EC would make it more costly to do business on a Europe-wide basis because national regulations would tend to be more restrictive than the favorable climate for US trade and investment which the EC has established. Politically, the EC carries so little clout that even its demise would have only a marginal direct effect on the US.

In a broader sense, however, the breakdown of the EC would be widely interpreted as a failure of an important building-block in the postwar European world which the US had done much to construct. For

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some western Europeans, the immediate effect would be to enhance the importance of NATO inasmuch as they would feel psychologically even more dependent on the US. But, the more general indirect effect would be quite the opposite and potentially more far-reaching -- to the extent that the breakdown of the EC were viewed, together with other recent changes in the international environment, as a sign that the entire US-oriented postwar structure was in the process of crumbling.

In the latter context, the view that NATO has become an historical anachronism would gain greater credence, and pressures for disbanding it would mount. Thus, a breakdown of the EC could set in train a series of shocks which could unsettle the western European status quo.

III. EUROPEAN REALITIES

Whoever speaks of Europe is wrong.

Otto von Bismarck

The cause of western European unity has made only modest progress over the past 25 to 30 years. But compared with the antagonisms and intermittent conflicts to which Europe historically has been accustomed, the achievements to date have been impressive and should not be discounted without weighing what the alternatives might have been. Still, the relative advance over the disharmony of the past should not obscure the real limits of western European unity today.

The principal achievement has been the Common Market, which consists essentially of a customs union with a common external tariff,

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a common agricultural policy, a free and mobile labor market, and various trade and industry associations. There is little doubt that the Common Market is already a formidable economic competitor in certain areas and that it has the potential of becoming the most powerful trading bloc in the world. But as long as western European economic policies are made principally by the national governments in Bonn, Paris, and London, the Common Market will remain a framework for certain kinds of economic activity rather than an economic power in its own right.

There has been considerably less progress in the direction of western European political unity and virtually no progress toward military unity -- except for limited cooperation in the NATO (Eurogroup) context. There has, of course, been a great increase in the kind and number of occasions which bring the western Europeans into fairly regular consultation with one another in both inter- and intra-governmental capacities. But none of the EC institutions or forums -- the Council of Ministers, the Commission, the Parliament, or the Court of Justice carries much political clout compared with the continuing power and authority of the nation-states.

The existing economic situation may even put a damper on the chances for further limited progress toward economic integration. The western Europeans are beset in varying degrees by the economic dilemma that afflicts the entire industrialized world: how to control

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inflation without producing unacceptable unemployment, and how to sustain growth without making inflation even more debilitating. As the economic malaise lingers on, the resulting strains tend to foster divisive tendencies within countries and protectionist policies in their relations with one another.

The social and political consequences of the industrialized world's economic plight may be only dimly seen today. There are already unsettling signs of change in western Europe, as incumbent governments have trouble maintaining public support even though there is little confidence that conventional opposition parties have any better alternatives to offer. Still, the decline in respect for established institutions has not led to radical change -- except in the peculiar case of Portugal. Indeed, for most Europeans, the solutions of the left and the right, old or new, seem to have declining relevance to the problems of the mid-1970s. There is a growing sense of the need for change, but little confidence in the ability of institutions or leaders currently on the horizon to guide the way. This could provide fertile soil for some good old-fashioned demagoguery or for new forms of extremism.

It could be argued that the general disaffection and the groping for alternatives might provide an impetus toward unity that until now has been sorely lacking, particularly among the younger generation that has come of age since the second world war. But while this is logically possible, particularly if articulated by new and charismatic

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leadership, it cannot be considered foreordained. Young and old alike might more readily make the opposite case and conclude, with Voltaire, that the most one should aspire to is cultivate one's own -- presumably small -- garden. They probably see little reason to believe that a united western Europe would operate more effectively than have existing governments. Many of the problems of the modern world seem too diffuse and complex to lend themselves to centralized solutions or, for that matter, to governmental solutions of any sort. From the standpoint of many western Europeans, the EC institutions have simply added one more layer of bureaucracy between people and the solutions to their problems.

The "small steps" approach to community-building that is being attempted by the EC will inevitably be slow and subject to setbacks. This gradual, piecemeal process rests essentially on an act of faith: that step-by-step, pragmatic progress will lead onward and upward along a continuum toward greater and greater economic integration, with political unity the eventual result. It is well to remember, however, that it has taken over 25 years to achieve the limited measures of economic integration and the modicum of political coordination that have been attained thus far.

Circumstances for Unity

Why is western Europe still so far from united despite the fairly broad consensus that unity is a desirable objective? There are many answers to this question, including the strength and resilience of

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national loyalties and the difficulty in coming to any agreement on what form political unity should eventually take. But the common thread that cuts across every answer is that there has been no compelling need for the western Europeans to unite. There is considerable reason to doubt that a truly united Europe will ever evolve from the "small steps" approach to integration. Real unity would be nothing less than a revolutionary achievement, and it may simply not be possible without some external threat or series of traumatic jolts that would give the Europeans a sense of a compelling need to unite. Even in such circumstances, unity would not result inevitably nor could it be expected to occur overnight nor would it necessarily be lasting. A revolutionary jolt or series of jolts might, however, be an essential prerequisite for the motivation to act on vital matters as a single entity.

A useful analogy can be drawn from the experience of the English colonies in North America in 1776 -- an instance of incipient unity brought about by a perceived compelling need. The revolutionary jolt in that case was less the result of any single event than of a series of external challenges over at least a decade. By 1776, the several colonies had agreed on the need for common, revolutionary action: to fight for independence. Still, it took more than another decade for the new states to relinquish much of their sovereignty to the central government and at least a century, including a bloody civil war, to settle issues of the sort which Eurocrats have been trying, rather haplessly, to resolve in the absence of any compelling need.

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There are at least two contingencies which could conceivably jolt the western Europeans into some kind of incipient unity. The first -- a new oil embargo (almost certainly the most potent threat which any part of the Third World could muster vis-a-vis the non-communist industrialized world) -- might impel the western Europeans to act on the realization that they have common interests in the Middle East which are essentially different from those of the US: a greater dependence on imports of Arab oil and a lesser commitment to Israel. In this contingency, they might conclude that the best or even the only way to assure a secure supply of energy would be to deal directly and cooperatively as a single European entity with the oil producers. This would not only lead to a common energy policy independent of the US, but it could also be an important step toward western European unity. It could also make a start toward a new and unified approach to the Third World challenge looming ahead against the affluent, developed countries.

If western European behavior during the 1973-1974 Arab oil embargo is any guide, however, a new oil crisis would magnify the differences among them rather than yield a united stance. Still, the 1973-1974 experience might prove a lesson rather than a precedent, and in a new crisis "sauve qui peut" might not be the policy to follow but the danger to be avoided. Many western Europeans would be so upset over cutting the Atlantic connection, however, that they would contemplate unified action apart from the US only with the greatest apprehension.

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The second contingency -- the withdrawal of substantial numbers, of US troops from Europe -- could conceivably shock some of the older, more conservative and defense-oriented western Europeans into a serious attempt to build up their collective military strength. But an early US withdrawal could also generate powerful counter-pressures (probably strongest among the young, the left, and many moderates) to adopt a more friendly, less contentious policy toward the USSR. Such pressures would have a good chance of prevailing, both because few western Europeans any longer believe in the existence of a real Soviet military threat to western Europe and because many would doubt their own ability to create a credible deterrent to Soviet power. In any event, the western Europeans would be cautious lest any steps toward the creation of a powerful western European military entity would provoke Soviet counteractions which would leave them even less secure. In these circumstances, they might cast out additional political lines toward the Chinese if for no other reason than to put a better face on their softer policy toward Moscow; the Chinese would probably be receptive to closer political ties but would eschew military commitments of any sort. The Soviets themselves would probably be cautious in their reaction to this trend, and hope for a gradual increase of the role of the Communist parties through "historic compromises" with western European democracies rather than initiate a quick assertion

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of Soviet power. This would enable them to continue the overall detente policy and avoid triggering a reversal of the US withdrawal.

The jolt of a large-scale US military withdrawal would thus be less likely to unify the western Europeans than to shatter what limited unity the postwar movement has accomplished. But this is not to say that it would set in train a revival of the old nationalist forces that have divided Europe in the past. Given the impact of detente and the fairly relaxed state of western European public opinion vis-a-vis the Soviet Union, the "shock" effect might be quite subdued and more likely to result in a "normalization" with the USSR than a revival of the old Cold War spirit. On the basis of past experience, most western Europeans would probably assume in any event that the US would not stand idly by in the event of a serious Soviet threat. A US withdrawal might also put in question the rationale for the Soviet military presence in eastern Europe and start similar centrifugal trends there. Thus while a US withdrawal would disrupt the status quo to which both sides have grown rather comfortably accustomed, its full ramifications cannot be confidently predicted.

IV. AFTERWORD: EUROPEAN "UNITY" IN A NEW CONTEXT?

Much of the foregoing discussion has weighed the pros and cons of European unity in a broadly familiar historical context. Inevitably so, since history has to provide most of such evidence as there is on this essentially speculative and unprecedented problem. But while

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history has its uses and is indeed indispensable in thinking about this problem, it also has its limits as a guide to the future.

Nowhere is this more true than in reflecting on the outlook for southern Europe and ways in which the area's future may affect, or be affected by, the rest of western Europe and the Atlantic Alliance.

For all the uncertainties in the picture, a few things seem reasonably clear:

- The states of southern Europe -- at least Portugal, Spain, and possibly Italy -- are in or near periods of profound transformation.
- Whatever forms their futures take, the odds are that they will be less compatible with US political and security interests -- at least as these have been defined over the past 25 to 30 years.
- It is quite conceivable that one or more of these states could move away from a cooperative policy toward the US -- Portugal has already done so to some extent.
- Yet under any foreseeable circumstances, it will remain important to the US that none of them becomes openly hostile to the US.
- For a variety of reasons, the northern European states in some respects have greater access to and closer communication with southern Europe than has the US.

With these considerations in mind, the case can be made that a stronger degree of European unity may become more desirable from the Europeans' standpoint in the future -- not because that is suggested by a calculus of empirical or speculative advantages and disadvantages in the context of Atlantic affairs as they have evolved over the last 25 years or so, but because new challenges to European stability, arising

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in the south, are going to have to be faced and can be faced better if the stronger states of Europe have greater cohesion than at present.

After floundering and soul-searching, the EC has recently found a voice in dealing with Portugal. Its policy of making aid conditional on some acceptable degree of Portuguese political behavior may or may not work, but indications are it has had some effect when little else that has been tried has had any. And its effects are clearly the greater for being European rather than Atlanticist or purely individual.

If Spain or Italy (or even Greece or Turkey) develop political symptoms which sharply challenge US interests, the push-pull dynamic of a "Europe" with some degree of unity may very well prove a more effective force for ameliorative action in particular situations than the US alone or as the clearly commanding ally of a disunited Europe. And this could be relevant, not only in dealing with prospective problems in southern Europe, but quite possibly clear around the Mediterranean basin. It is hard to imagine circumstances in which the US role would not, willy nilly, be important in this area; but it is easy to imagine circumstances in which the US role was badly in need of strong, complementary influence from a "Europe" more decisive and independent than at present. And if the USSR should become more forward in southern Europe, this need would be the greater.

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